

RECEIVED
UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF ALABAMA 10: 22

ALFA CORPORATION,
an Alabama corporation,

Plaintiff,

vs.

ALFA MORTGAGE INCORPORATED,
an Indiana corporation,

Defendant.

CASE NO: 2:06 cv 962 - WKW

COMPLAINT FOR INJUNCTIVE RELIEF AND DAMAGES

Plaintiff Alfa Corporation ("Plaintiff"), for its Complaint against Defendant Alfa Mortgage Incorporated ("Defendant"), alleges as follows:

Jurisdiction and Venue

1. This is a civil action arising out of Defendant's infringement, in violation of Section 32(1) of the U.S. Trademark Act of 1946 (the "Lanham Act"), 15 U.S.C. § 1114 (1), of federally registered trademarks owned and used by Plaintiff, unfair competition in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); common law trademark infringement; common law unfair competition; and statutory trademark dilution.

2. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1338 and has supplemental jurisdiction pursuant to 28 U.S.C. § 1367(a).

3. This Court has jurisdiction over Defendant by virtue of its commission of the wrongful and tortious conduct as described herein within and without the State of Alabama. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391(b), (c) and (d).

Parties

4. Plaintiff Alfa Corporation (hereafter, “Alfa Corp.”) is a corporation organized and existing under the laws of the State of Delaware and maintaining its principal place of business in Montgomery, Alabama.

5. Based on information and belief, Defendant Alfa Mortgage Incorporated is a corporation, organized and existing under the laws of the State of Indiana, with its principal place of business located in Indianapolis, Indiana.

6. Based on information and belief, Defendant does business and/or is licensed currently in Indiana, Illinois, Minnesota and Oregon, and is attempting to register in California.

Factual Allegations

7. Plaintiff Alfa Corp. is a financial services company that traces its roots to the mid-1940’s in Alabama, when the leadership of the Alabama Farm Bureau Federation decided that it would make insurance available to farmers at affordable premiums.

8. Today, Alfa Corp. is a financial services conglomerate, operating through a number of wholly owned subsidiaries, divisions, and related companies. All corporate affiliates of Alfa Corp. referenced in this Complaint are related companies of Alfa Corp. within the meaning of Section 45 of the Lanham Act, 15 U.S.C. § 1127.

9. Alfa Corp. is a publicly traded company and is listed on the NASDAQ stock exchange under the symbol “ALFA.”

10. The lines of business of Alfa Corp. include, among other things, insurance and reinsurance services, conducted through Alfa Insurance Corp., Alfa Life Insurance Corp., Alfa General Insurance Corp., Alfa Mutual General Insurance Company, Alfa Mutual Insurance

Company, Alfa Mutual Fire Insurance Company, Alfa Specialty Insurance Corp., and other related companies.

11. Alfa Corp. and its related companies hold state insurance and/or reinsurance licenses in the states of Virginia, Alabama, Florida, Georgia, Michigan, New York, Pennsylvania, South Carolina, Ohio, Connecticut, Wisconsin, Indiana, Massachusetts, North Carolina, Louisiana, Mississippi, Arkansas, Missouri, Tennessee, Texas, Washington, New Mexico, Wyoming and Oklahoma, among others.

12. Alfa Corp. is a thrift holding company qualified with the U.S. Office of Thrift Supervision and is a significant shareholder in a financial services company that has wholly-owned bank. Alfa Corp. and certain of its subsidiaries also hold state banking licenses.

13. Alfa Corp. also is engaged in providing a variety of other financial services including offering equity lines of credit on residential real estate and other mortgage services (through Alfa Financial Corp.); commercial leasing services (through OFC Capital, a division of Alfa Financial Corp., doing business in all 50 states); benefits services (through Alfa Benefits Corp.); and realty and building services (through Alfa Realty, Inc., Alfa Properties, Inc., and Alfa Builders, Inc.), among other things.

14. Alfa Corp. has steadily expanded, and is continuing to expand, the breadth and scope of its operations into diversified insurance, banking, mortgage, securities, and a host of other financial services. These and other types of insurance and financial services are within the natural zones of expansion for the lines of business in which Alfa Corp. has operated for many years.

15. Alfa Corp. and its subsidiaries, divisions and related companies have for many years done business under the name "ALFA," including but not limited to Alfa Corporation, Alfa

Insurance Corp., Alfa Life Insurance Corp., Alfa Mutual General Insurance Company, Alfa Mutual Insurance Company, Alfa Virginia Mutual Insurance Company, Alfa Mutual Fire Insurance Company, Alfa General Insurance Corp., Alfa Specialty Insurance Corp., Alfa Financial Corp., Alfa Vision Insurance, Alfa Realty, Inc., Alfa Benefits Corp., Alfa Properties, Inc., Alfa Ventures II, L.L.C., Alfa Builders, Inc. and Alfa Investors, among others. By virtue of the foregoing uses, Alfa Corp. has acquired common law trademark rights throughout the United States, including but not limited to in the State of Alabama.

16. Alfa Corp. also is the holder of a number of valid federally registered trademarks incorporating the word "ALFA," including but not limited to: ALFA INSURANCE (Registration No. 2671861), ALFA INSURANCE & design (Registration No. 2088673), ALFA HEALTH (Registration No. 2697512), ALFA REALTY (Registration No. 2677418), ALFA BUILDERS (Registration No. 2692690), and ALFA REALTY & design (Registration No. 2671857), which are registered in various classes, including insurance underwriting services. Alfa Corp. also is the holder of various "ALFA" trademark registrations, including in the insurance classes, in the State of Alabama. Alfa Corp.'s use of its various "ALFA" trademarks began before Defendant could claim to have commenced use of the ALFA name at issue in this action.

17. Alfa Corp. also has a number of pending trademark applications on file with the U.S. Patent & Trademark Office, including but not limited to CALL ALFA, MY ALFA, CALL ALFA (stylized), ALFA INSURANCE, ALFA COMPANIES, ALFA CORPORATION, and ALFA FINANCIAL, which seek registration in various classes, including mortgage and lending services.

18. Over the years, Alfa Corp. and its related companies have invested millions of dollars in the advertisement and promotion of goods and services sold under the “ALFA” trademarks, helping to generate billions of dollars in sales under those marks. As a result, the “ALFA” trademark has become a distinctive identifier of goods and services provided by Alfa Corp, and a symbol of consumer goodwill whose value to Alfa Corp. is incalculable.

19. Based on information and belief, Defendant is a corporation involved in making a variety of mortgage loans, including residential mortgage loans, residential construction loans and commercial loans on a national basis.

20. Defendant owns and operates the following website: www.alfamtg.com. The website states that Defendant offers commercial, residential and construction mortgages and loans and related services.

21. Defendant’s business is within the natural zone of expansion of Alfa Corp.’s business.

22. Defendant’s use of the name “ALFA” in connection with mortgage, loan, construction and financial services is likely to cause confusion, mistake or deception of the trade and public and to cause them to believe that Defendant’s services are the same as Alfa Corp.’s services or are authorized, sponsored or approved by Alfa Corp. or are otherwise affiliated or connected with Alfa Corp. or its services, and to dilute the distinctive quality of Alfa Corp.’s various “ALFA” trademarks.

23. On August 22, 2006, Alfa Corp. sent a cease and desist letter to Defendant, which has been ignored by Defendant. A true and correct copy of the letter is attached hereto as Exhibit 1. Defendant also was verbally advised of Alfa Corp.’s trademarks, and nonetheless has willfully refused to discontinue its use of the name “ALFA” and other infringing activities.

24. Defendant's activities have caused and will continue to cause irreparable harm to Alfa Corp. and to the substantial goodwill embodied in Alfa Corp.'s "ALFA" trademarks, and such acts will continue unless restrained by this Court.

25. Alfa Corp. has no adequate remedy at law.

COUNT I

Trademark Infringement Under Section 32(1) of the Lanham Act

26. Plaintiff repeats and realleges each and every allegation set forth in paragraphs 1 through 25 set forth above.

27. Defendant's conduct constitutes trademark infringement in violation of Section 32(1) of the Lanham Act, 15 U.S.C. § 1114(1), as the continued use by Defendant of the "Alfa" designation on or in connection with mortgage, loan, construction and/or financial services is likely to cause confusion among consumers with Alfa Corp's prior, registered "Alfa" trademarks.

COUNT II

Infringement, Unfair Competition and Use of False Designations of Origin Under Section 43(a)(1)(A) of the Lanham Act

28. Plaintiff repeats and realleges each and every allegation set forth in paragraphs 1 through 27 set forth above.

29. Defendant's conduct constitutes trademark infringement, unfair competition and the use of false designations of origin in violation of Section 43(a)(1)(A) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A), as the continued use by Defendant of the "Alfa" designation on or in connection with mortgage, loan, construction and/or financial services is likely to cause confusion among consumers with Alfa Corp's prior, registered "Alfa" trademarks.

COUNT III

**Common Law
Trademark Infringement**

30. Plaintiff repeats and realleges each and every allegation set forth in paragraphs 1 through 29 set forth above.

31. Defendant's conduct constitutes trademark infringement under the common law of the State of Alabama, as the continued use by Defendant of the "Alfa" designation on or in connection with mortgage, loan, construction and/or financial services is likely to cause confusion among consumers with Alfa Corp's prior, distinctive "Alfa" trademarks.

COUNT IV

**Common Law
Unfair Competition**

32. Plaintiff repeats and realleges each and every allegation set forth in paragraphs 1 through 31 set forth above.

33. Defendant's conduct constitutes unfair competition under the common law of the State of Alabama, because the continued use by Defendant of the "Alfa" designation on or in connection with mortgage, loan, construction and/or financial services is likely to cause confusion among consumers with Alfa Corp's prior, distinctive "Alfa" trademarks.

COUNT V

Statutory Trademark Dilution

34. Plaintiff repeats and realleges each and every allegation set forth in paragraphs 1 through 33 set forth above.

35. Alfa Corp. also is the holder of various “Alfa” trademark registrations, including in the insurance classes, with the Secretary of State of the State of Alabama, and also has such common law rights in the State of Alabama and elsewhere.

36. Defendant’s conduct dilutes the distinctive quality of Alfa Corp’s registered “Alfa” trademarks and marks valid at common law, and/or creates a likelihood of injury to Alfa Corp.’s business reputation, in violation of Alabama Code, section 8-12-17 (1975).

Prayer for Relief

WHEREFORE, Plaintiff Alfa Corporation prays for judgment against Defendant Alfa Mortgage Incorporated as follows:

1. Entering judgment in favor of Plaintiff and against Defendant on each and every count in this Complaint;

2. Preliminary and permanently enjoining and restraining Defendant, and its respective parents, subsidiaries, affiliated companies, directors, officers, agents, servants, employees, attorneys, representatives, successors, assigns, and all persons and entities acting under their direction, or in active concert or participation with them or any of them, from:

(i) using the name or designation “Alfa” in connection with any mortgage, loan, construction or financial services or related services in the United States;

(ii) prosecuting any applications to register trademarks containing an “Alfa” name or designation in connection with any mortgage, loan, construction or financial services or related services in the U.S. Patent and Trademark Office or any other U.S. trademark authority;

(iii) using any other false designation of origin or false description or representation or any other thing calculated or likely to cause confusion or mistake in the mind of

the trade or public or to deceive the trade or public into believing that Defendant's business and services are in any way associated or affiliated with or related to Plaintiff or Plaintiff's services as described herein; and

(iv) ordering that ownership of the domain www.alfamtg.com, and any other domains owned and/or controlled by Defendant which contain the word "Alfa," be transferred to Plaintiff.

3. Directing Defendant to deliver up to Plaintiff for destruction or other disposition, within thirty (30) days of the entry of final judgment herein, any and all labels, signs, prints, packaging, wrappers, documents and advertising or promotional materials in its possession or within its custody or control that bear any designation in violation of Plaintiff's rights as decreed herein, together with all plates, molds, matrices and other means of making the same.

4. Directing Defendant to file with the Court and serve on counsel for Plaintiff, within thirty days after entry of any injunction issued by the Court in this action, a sworn written statement as provided in 15 U.S.C. § 1116.

5. Directing Defendant to account and turn over to Plaintiff its profits arising from the conduct complained of herein, pursuant to 15 U.S.C. § 1117, and trebling such award of profits as appropriate;

6. Awarding Plaintiff its reasonable attorneys' fees, taxable costs and disbursements of this action, pursuant to 15 U.S.C. § 1117.

7. Awarding such other and further relief as the Court deems just and proper.

Dated: October 25, 2006.

By: 

ROBERT A. HUFFAKER (Alabama State Bar
No. ASB-7668-U79R)
RUSHTON, STAKELY, JOHNSTON &
GARRETT, P.A.
184 Commerce Street
Montgomery, Alabama 36104
Telephone: (334) 206-3100
Facsimile: (334) 262-6277

JUAN C. BASOMBRIO (California State Bar
No. 150703; seeking admission pro hac vice)
DORSEY & WHITNEY LLP
38 Technology Drive
Irvine, California 92618
Telephone: (949) 932-3600
Facsimile: (949) 932-3601

Attorneys for Plaintiff
ALFA CORPORATION



JUAN C. BASOMBRIO
(949) 932-3650
FAX (949) 932-3601
basombrio.juan@dorsey.com

August 22, 2006



By Fax and U.S. Mail

Corina Shelton
President/Broker
Alfa Mortgage, Inc.
8888 Keystone Crossing, Suite 1300
Indianapolis, Indiana 46240

Dear Ms. Shelton:

As you know, I represent Alfa Corporation ("Alfa Corp.") and its related companies. Alfa Corp. is a financial services conglomerate. I was the lawyer that represented Alfa Corp. during your recent deposition in San Francisco.

Alfa Corp. is the registrant of the "ALFA CORPORATION" federal trademark, and of various other trademarks and pending trademark applications including the "Alfa" designation (such as Alfa Realty, Alfa Financial, Alfa Insurance, and others) in the financial services classes, with the United States Patent & Trademark Office. Mortgage lending is among the various financial services offered by Alfa Corp. and its related companies.

Accordingly, we believe that your company's use of the name "Alfa Mortgage, Inc." infringes upon the federal and common law rights of Alfa Corp. Alfa Corp. demands that you stop using the name Alfa Mortgage or any other name using "Alfa." Please contact me at your earliest convenience to discuss this matter. My client is willing to provide you with sufficient time to transition your company to using another name.

Very truly yours,

A handwritten signature in black ink, appearing to read "Juan Basombrio".

Juan C. Basombrio